

Department of Social and Health Services

DP Code/Title: M2-5Q County Legal-Clerk Reimbursement

Program Level - 060 Economic Services Admin

Budget Period: 2001-03 Version: F3 060 2001-03 2003 Sup Agency Req

Recommendation Summary Text:

The State's County Clerks provide essential services necessary for the complete implementation of the state-wide Child Support Enforcement Program. Previous budgeting and billing methodologies have been deemed inadequate by the federal Office of Child Support Enforcement (OCSE). This item represents a collaborative effort between the Division of Child Support (DCS) and the Washington State Association of County Clerks (WSACC).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	675,000	675,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	1,309,000	1,309,000
Total Cost	0	1,984,000	1,984,000

Staffing

Package Description:

The state's separately elected and appointed the County Clerks provide mandatory support to the Department of Social and Health Service's (DSHS) DCS. The clerks process over 2.3 million pleadings per year on new and existing child support related cases. This accounts for over 38 percent of all pleadings filed.

In 1995 the OCSE conducted an audit of selected costs claimed by the State of Washington DCS for operating the Child Support program. In that audit, OCSE recognized that the State Clerks were using a billing methodology that was out-of-date. The OCSE recommended that DCS develop and implement a new billing methodology that more accurately reflected costs to the clerks for assisting with the implementation of the state's Child Support Enforcement program.

During 2001, DCS representatives met with the WSACC and determined that a new billing methodology was called for. Both parties agreed that the billing methodology should be based upon a representative number of total pleadings filed in each office. An independent third-party contractor was hired to develop the new methodology and to provide regional training.

The new billing methodology will allow for more accurate forecasts of future costs, budget impacts and revenues (for the clerks) and will ensure consistent application across the state's 39 counties. Implementation of the new billing methodology began January 1, 2002 with full implementation anticipated by the end of the calendar year.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request will ensure that direct child support enforcement services continue to be provided by the state's County Clerks. Adequately funding direct service providers, such as the County Clerks, will ensure that child support orders are filed in a timely manner reducing the time that the custodial parent and children have to wait before receiving their first payment. In addition, the faster the order is filed, the higher the likelihood that the non-custodial parent can be located, thereby increasing the odds of payment being made.

Performance Measure Detail

Goal: 02Z Services Are Easy to Access and Timely

Incremental Changes

FY 1

FY 2

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No measures submitted for package

Goal: 08Z DSHS clients maintain or improve their health.

Incremental Changes

FY 1

FY 2

No measures submitted for package

Goal: 09Z A safety net is in place for people in need.

Incremental Changes

FY 1

FY 2

No measures submitted for package

Goal: 10Z DSHS services help children experience stable lives.

Incremental Changes

FY 1

FY 2

No measures submitted for package

Reason for change:

In 1995 the federal OCSE conducted an audit of the costs submitted by the State of Washington DCS for reimbursement associated with implementation of the state-wide child support enforcement program. OCSE recommended that DCS develop a new methodology for reimbursing costs associated with the services provided by the State's County Clerks.

Through a collaborative effort with the WSACC, DCS is submitting this package in order to more accurately reimburse the Clerk's Office for their essential role in the implementation of the federally mandated child support enforcement program.

Impact on clients and services:

DCS currently reimburses the State's County Clerks approximately \$3.6 million per year. Additional funds will enable the County Clerks to continue to keep up with the increasing number and complexity of child support pleadings filed each year. In 2001, 7.4 million pleadings were filed in Washington State. Over 2.3 million of these pleadings were domestic in nature. The WSACC fully supports the new budget and billing methodology that has been developed.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

DCS and WSACC discussed one other alternative before selecting the one proposed in this package. The alternative discussed was the use of new case filings as the base for cost determination. It was determined that using new case filings was not an adequate proxy for measuring the workload associated with child support enforcement activities.

Budget impacts in future biennia:

No FTEs are being requested. These costs are expected to continue in the future biennia.

Distinction between one-time and ongoing costs:

All costs are ongoing.

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Effects of non-funding:

If funding is not provided, the state will be out of compliance with the recommendation of the OSCE audit team thereby increasing the risk of future audit findings. In addition, non-funding would negatively impact the collaborative relationship with the County Clerk's established during the development of the new methodology.

Non-funding may also impede the County Clerk's ability to process child support orders in a timely manner. This could result in lost collections reducing the amount of money going to children and the amount of support retained by the state for Temporary Assistance to Needy Families grant benefits.

Expenditure Calculations and Assumptions:

Each County Clerk office was given a full calendar year to implement the new billing methodology. As of May 2002, 11 counties have begun implementation. Based upon the billings received to date, the County Clerk reimbursement is computed below:

Estimated Fiscal Year 2003 Expenditure \$ 5,947,425

Fiscal Year 2003 Budget \$ 3,963,400

Estimated shortfall: Total Funds \$ 1,984,025

Object Detail

Overall Funding

E Goods And Services

FY 1

FY 2

Total

0

1,984,000

1,984,000

DSHS Source Code Detail

Overall Funding

Fund 001-1, General Fund - Basic Account-State

Sources Title

0011 General Fund State

FY 1

FY 2

Total

0

675,000

675,000

Total for Fund 001-1

0

675,000

675,000

Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi

Sources Title

563I Title IV-D Child Support Enforcement (A) (66%)

0

1,309,000

1,309,000

Total for Fund 001-A

0

1,309,000

1,309,000

Total Overall Funding

0

1,984,000

1,984,000